

## COURSE DESCRIPTION AND OUTLINE

<b>Course Information</b>	
<b>Name</b>	<b>Advanced Accounting</b>
<b>Code</b>	
<b>Degree</b>	<b>Degree in Management Administration, Law and Business Management</b>
<b>Year is taught</b>	<b>Fourth E2/E4/E2 Bilingual</b>
<b>Semester</b>	<b>First</b>
<b>ECTS credits</b>	<b>5</b>
<b>Type of course</b>	<b>Elective in the financial curriculum</b>
<b>Department</b>	<b>Financial Management</b>
<b>Area</b>	<b>Accounting</b>
<b>University</b>	<b>Universidad Pontificia Comillas</b>
<b>Timetable</b>	
<b>Faculty</b>	<b>Francisco Villanueva Pliego</b>
<b>Descriptor</b>	<p>Advanced Accounting is a course that covers the most important and relevant topics in financial accounting. Financial accounting is regulated by the General Accounting Accepted Principles (GAAP) that are issued by each country. However in recent years two sets of GAAPs have reached relevance as the ones with highest level of quality, the GAAPs issued by the Financial Accounting Standard Board (FASB) and by the International Accounting Standard Board (IASB). This course covers these two sets of regulations.</p> <p>Globalization is a reality in business today and accounting is part of that reality. FASB and IASB are working together to converge these two sets of rules. It is paramount for any individual's success in business to understand the basic concepts used to prepare financial reports. This course provide this knowledge to the student</p>

<b>Faculty Information</b>	
<b>Professor and Coordinator</b>	
<b>Name</b>	<b>Francisco Villanueva Pliego</b>
<b>Department</b>	<b>Financial Management</b>
<b>Area</b>	<b>Accounting</b>
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<b>Office Hours</b>	<b>OD-215</b>

## BACKGROUND, GOALS AND SKILLS OF THE COURSE

<b>Course Background</b>
<b>Contribution to the student's profile</b>
<p>The Advanced Accounting class closes the cycle with the purpose to provide a well-rounded financial accounting education.</p> <p>The course emphasizes financial accounting as an essential tool in the decision making process of the stakeholders of a company. In this regard, the student is introduced to the most complex economical transaction affecting a company and the accounting rules to record those transactions.</p> <p>Managing financial accounting, either in theory and practice, is fundamental for professional that are related to the business world. Financial accounting is not only a tool in the decision making process but also is known as the business language and not only in financial and accounting circles.</p>
<b>Prerequisites</b>
Introduction to accounting; Financial Accounting; Financial Mathematics and spread sheets.

<b>Skills- Goals</b>
<b>Skills for the course</b>
<b>Operational</b>
<p><b>CGI 1: Analysis and synthesis skills</b></p> <p><b>CGI 2: Decision making process</b></p> <p><b>CGI 8: Acquiring knowledge in computers systems related to the course</b></p>
<b>Specific skills for the course</b>
<b>By the end of the semester the student should be able to:</b>
<b>Know-how skills</b>
<p><b>CEC 01: Explain the theoretical framework that governs financial reporting.</b></p> <p><b>CEC 02: Explain the basic financial reports: balance sheet, income statement and statement of cash flow.</b></p>
<b>Practical skills</b>
<p><b>CEP 01: Identify, measure and report in the financial statements economic transactions related to assets, liabilities, stockholders' equity and revenue.</b></p> <p><b>CEP 02: Prepare the basic financial reports: balance sheet, income statement and statement of cash flow.</b></p>
<b>Professional and ethical skills</b>
<b>CEA 01: Explain the relevance and social role of financial accounting</b>

## COURSE CONTENT

Content
<b>Topic 1. Introduction and Background</b>
1. Introduction to Financial Accounting
Overview of Financial Reporting
The Standard-Setting Process
U.S. GAAP and IFRS: Rules versus Principles.
2. Conceptual Framework
Conceptual Framework: IFRS
The Objective of Financial Reporting
The Qualitative Characteristics of Financial Information
3. Financial Statements
Statements of Net Income and Comprehensive Income
Statements of Financial Position and Cash Flows and the Annual Report
<b>Topic 2. Assets</b>
1. Inventories
Types of Inventory
Inventory Systems
Periodic Inventory System.
Perpetual Inventory System.
Inventory Allocation Methods
Lower-of-Cost-or-Market Rule Method
Basic Retail Method
2. Property, Plant and Equipment
Initial Measurement of Property, Plant, and Equipment
PPE Categories
Interest Capitalization
Subsequent Expenditures
Depreciation of Tangible Fixed Assets
Derecognition of Property, Plant, and Equipment
Intangible Assets: Characteristics and Types
3. Investments
Overview of Investments in Debt and Equity
Investments in Debt Securities
Investments in Equity Securities: No Significant Influence

## Investments in Equity Securities: Significant Influence

### Topic 3. Liabilities

#### 1. Long-term liabilities

Overview of Bonds Payable

Accounting for the Initial and Subsequent Measurement of Bonds Payable

Bond Issue Costs

Early Retirement of Bonds Payable

Convertible Bonds

#### 2. Leasing

Leases: Advantages and Disadvantages

Lease Classification

Accounting for Operating Leases: Lessee and Lessor

Accounting for Capital Leases: Lessee

Accounting for Capital Leases: Lessor

#### 3. Accounting for Income Taxes

Introduction

No Differences between Book and Tax Reporting

Permanent Differences between Book and Tax Reporting

Temporary Differences between Book and Tax Reporting

Deferred Tax Assets and Liabilities

### Topic 4. Stockholders' equity

Overview of Stockholders' Equity

Accounting for Common Stock

Accounting for Share Repurchase Transactions

Accounting for Preferred Stock

Accounting for Retained Earnings

Accounting for Other Comprehensive Income

### Topic 5. Revenue recognition

Revenue Recognition Overview

Contract Criteria

Overview of Long-Term Contracts

Percentage-of-Completion Method

Completed-Contract Method

Special Issues in Revenue Recognition

### Topic 6. Statement of Cash Flow.

Overview of the Statement of Cash Flows

Format of the Cash Flow Statement

Conceptual Model for the Statement of Cash Flows

Operating Cash Flows

The Direct Method  
 Investing Cash Flows  
 Financing Cash Flows

## TEACHING METHODS AND STRUCTURE

Teaching methods for the class	
<b>In class methodology and activities</b>	<b>Skills</b>
<p>The student has to submit a summary handwrite summary, three pages both sides maximum, for each chapter assigned. The summary has to be submitted at the beginning of the class.</p> <p>At the beginning of the class the professor will address the questions students may have on the chapter and highlight the most important topics in each chapter.</p> <p>The rest of the class is allocated to solve problems and exercises related to the chapter assigned to the class.</p>	<p>Analytical and synthesis skills.</p> <p>Decision making skills.</p>
<b>Teaching methods and activities outside the classroom sessions</b>	<b>Competences</b>
<p>The student has to read each chapter before the class the chapter is assigned.</p> <p>Homework are going to be assigned that the student has to submit at the beginning of the class of the day they are due.</p>	<p><b>Analytical and synthesis skills.</b></p> <p><b>Decision making skills.</b></p>

## ASSESSMENT AND EVALUATION CRITERIA

Activities assessed	Rubric	Weight
Final Exam	Right answers	50%
Partial exam	Right answers	20%
Homework	Submission	10%
Quizzes	Right answer	15%
Summaries	Submission	5%

The score for homework, quizzes and summaries is going to be computed as the average of all the chores assigned during the semester.

The continuous evaluation won't be counted toward the extraordinary exam in June. The grade from the June's exam will be the final grade for the course.

Exchange students and those students that are not required to attend (e.g. students taking the course for the second time) will be evaluated with the grade from the final exam only.

For students in this case, grades from previous courses are not taking in consideration toward final grades.

You have to see the schedule of the exams in the website of the class. (Moodle)

<b>SUMMARY OF STUDENT EXPECTED WORKING HOURS</b>			
<b>Hours in classroom</b>			
Lessons	Practical classes	Case study and problem solving sessions	Assessment
14	15	20	6
<b>Hours outside the classroom</b>			
Individual work on theoretical knowledge	Individual work on practical knowledge	Group work	Study
15	30	0	25
<b>Total Hours 125</b>		<b>ECTS CREDITS:</b>	<b>5</b>

## **BIBLIOGRAPHY AND ADDITIONAL SUPPORTING MATERIAL**

<b>Bibliography</b>
<b>Textbooks</b>
Intermediate Accounting Elizabeth A. Gordon, Jana S. Raedy, Alexander J. Sannella, Pearson 1th Edition
<b>Web pages</b>
MyAccountingLab
Resources in the website of ICADE <a href="http://www.icac.meh.es/">http://www.icac.meh.es/</a>